

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN
MILWAUKEE DIVISION**

MOISES RIVERA, Individually and on Behalf of) All Others Similarly Situated,) Plaintiff,) vs.) KENTWOOD LAW GROUP and CACH, LLC,) Defendants.)	Case No.: 14-cv-436 CLASS ACTION COMPLAINT Jury Trial Demanded
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INTRODUCTION

1. This class action seeks redress for collection practices that violate the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.* (the “FDCPA”).

JURISDICTION AND VENUE

2. The court has jurisdiction to grant the relief sought by the Plaintiff pursuant to 15 U.S.C. § 1692k and 28 U.S.C. §§ 1331 and 1337. Venue in this District is proper in that Defendant directed its collection efforts into the District.

PARTIES

3. Plaintiff Moises Rivera is an individual who resides in the Eastern District of Wisconsin (Milwaukee County).

4. Plaintiff is a “consumer” as defined in the FDCPA, 15 U.S.C. § 1692a(3), in that Defendant sought to collect from her a debt allegedly incurred for personal, family or household purposes.

5. Defendant Kentwood Law Group (“Kentwood”) is a debt collection law firm with its principal place of business located at 5050 Palo Verde Street, Suite 111, Montclair, California 91763.

6. Kentwood is engaged in the business of a collection agency, using the mails and telephone to collect consumer debts originally owed to others.

7. Kentwood is engaged in the business of collecting debts owed to others and incurred for personal, family or household purposes. Kentwood is a debt collector as defined in 15 U.S.C. § 1692a.

8. Defendant CACH, LLC (“CACH”) is a foreign limited liability company with its principal place of business located at 1675 Broadway, Suite 1200, Denver, CO 80202.

9. CACH is engaged in the business of a collection agency, in that it purchases and receives assignment of consumer debts that are in default at the time CACH acquires them.

10. Kentwood, a law firm, is CACH’s agent with respect to the collection of the Plaintiff’s and class members’ alleged debts.

11. CACH, both directly and indirectly, is a debt collector under the above arrangement and, as principal, is jointly responsible for its agent’s (i.e. Kentwood’s) actions. *See Pollice v. Nat’l Tax Funding, L.P.*, 225 F.3d 379, 404-05 (3d Cir. 2000); *citing First Interstate Bank of Fort Collins v. Soucie*, 924 P.2d 1200, 1202 (Colo. Ct. App. 1996) (“Federal courts that have considered the issue have held that the client of an attorney who is a ‘debt collector,’ as defined in § 1692a(6), is vicariously liable for the attorney’s misconduct if the client is itself a debt collector as defined in the statute. Thus, vicarious liability under the FDCPA will be imposed for an attorney’s violations of the FDCPA if both the attorney and the client are debt collectors as defined in § 1692a(6).”)

FACTS

12. On or after June 19, 2013, Kentwood mailed a debt collection letter to Plaintiff regarding an alleged debt, allegedly owed to “CACH LLC” and allegedly originally owed to “US BANK.” A copy of this letter is attached to this complaint as Exhibit A.

13. The alleged debt identified in Exhibit A is an alleged credit card account used only for personal, family or household purposes.

14. Upon information and belief, CACH purchased or otherwise took assignment of the alleged debt referenced in Exhibit A, after the debt was in default.

15. Upon information and belief, Exhibit A is a form letter, generated by computer, and with the information specific to Plaintiff inserted by computer.

16. Upon information and belief, Exhibit A is a form debt collection letter used by Kentwood to attempt to collect alleged debts.

17. Exhibit A contains the following text:

Acknowledgement of Debt:

To: Kentwood Law Group

In consideration of your offer to accept installment payments, it's my desire to cooperate and pay the account I still owe.

Creditor:	CACH, LLC
Original Creditor:	US BANK
Original Account #:	██████████8159
Current Balance:	\$2,266.43
CACH Account #:	120018772347

Please find my initial payment of \$_____ and then I will pay \$_____ per month

Signature_____ Date_____

Home#_____ Cell#_____ Work#_____

18. Exhibit A requests that the consumer “make payments” to “resolve” the alleged debt, and provides a blank space for the consumer to write in an amount for an initial payment and monthly payments.

19. Exhibit A is an alleged credit card account. Upon information and belief, the original credit card agreement allows CACH, as assignee, to add interest to the alleged debt at a default rate, possibly around 30% annually.

20. Exhibit A invites the consumer to enter into a payment plan that would be negatively amortized. The consumer would be making payments, while the amount of the debt would constantly be increasing at an amount greater than the amount of the consumer’s payment.

21. Exhibit A does not provide sufficient information for the consumer to make an informed decision whether the initial payment and monthly payment together would actually “resolve” the alleged debt.

COUNT I – FDCPA

22. Plaintiff incorporates by reference as if fully set forth herein the allegations contained in the preceding paragraphs of this Complaint.

23. The open-ended request to make payments in amounts selected by the consumer, without any indication that such payments would “resolve” the alleged credit card debt, when the alleged debt may be accruing interest at a default rate around 30%, would confuse the unsophisticated consumer.

24. Inviting a consumer to make payments that would not actually pay off the alleged debt, but would result in a higher balance due to the addition of interest, is an unfair practice.

25. 15 U.S.C. § 1692e generally prohibits “any false, deceptive, or misleading representation or means in connection with the collection of any debt.”

26. 15 U.S.C. § 1692e(10) specifically prohibits the “use of any false representation or deceptive means to collect or attempt to collect any debt.”

27. 15 U.S.C. § 1692f generally prohibits “unfair or unconscionable means to collect or attempt to collect any debt.”

28. CACH is responsible for the actions of its agent, Kentwood, that violate the FDCPA.

29. Defendants violated 15 U.S.C. §§ 1692e, 1692e(10) and 1692f.

CLASS ALLEGATIONS

30. Plaintiff brings this action on behalf of a Class, consisting of (a) all natural persons in the State of Wisconsin (b) who were sent a collection letter in the form represented by

Exhibit A, (c) seeking to collect a debt for personal, family or household purposes, (d) on or after April 15, 2013, (e) that was not returned by the postal service.

31. The Class is so numerous that joinder is impracticable. On information and belief, there are more than 50 members of the Class.

32. There are questions of law and fact common to the members of the class, which common questions predominate over any questions that affect only individual class members. The predominant common question is whether the Defendants complied with 15 U.S.C. §§ 1692e and 1692f.

33. Plaintiff's claims are typical of the claims of the Class members. All are based on the same factual and legal theories.

34. Plaintiff will fairly and adequately represent the interests of the Class members. Plaintiff has retained counsel experienced in consumer credit and debt collection abuse cases.

35. A class action is superior to other alternative methods of adjudicating this dispute. Individual cases are not economically feasible.

JURY DEMAND

36. Plaintiff hereby demands a trial by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that the Court enter judgment in favor of Plaintiff and the Class and against Defendants for:

- (a) actual damages;
- (b) statutory damages;
- (c) attorneys' fees, litigation expenses and costs of suit; and
- (d) such other or further relief as the Court deems proper.

Dated: April 15, 2014

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